10/14/86 K7930-1

NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

Vol. 7 No. 7
August 1986

Current Economic Developments in New Mexico

The spectre of long-awaited tax reform has arrived. Congress is expected to pass the tax bill approved in committee that will transfer some burden from individuals to corporations, resulting in two individual rates, 15 and 28 percent. Features of tax reform will include a curb on deductibility of consumer interest, a minimum corporate tax and a reduction of tax shelters. Mortgage interest and property taxes will still be deductible as will be state income tax, but not sales taxes.

The nation's GNP growth stalled at 0.6 percent in the second quarter. Responsible for the slowdown were the initial negative impact of layoffs and lower capital investment in the oil industry and the bloated current account (trade deficit). Consumers, benefitting from lower inflation, energy prices, interest rates, ample credit, and rising real income, are spurring the economy. With lackluster economic performance and the fear of reigniting inflation subsiding, the Federal Reserve pared the discount rate to 5.5 percent as a stimulus. However, the usual multiplier of consumer spending is not benefitting domestic industrial producers. This gap between consumer purchases and industrial output is being swallowed by imports. In effect, Americans are exporting the demand multiplier overseas. Lower interest rates have stimulated homebuilding to some extent but not industrial investment. Since the nation's plants are operating at 78 percent of capacity, they lack the incentive to invest.

Yet while nominal interest rates have descended, real interest rates (the difference between inflation and nominal rates) remain historically fat and so far are barely budging. The upside of high real interest rates is that the U.S. attracts foreign capital and investment, which permits easier financing of the large federal deficit and shelves a possible credit crunch for consumers.

As a result of setbacks in the resource industries the New Mexico economy is trudging along with a slight 0.8 percent rise in nonagricultural employment in June over a year ago. That feeble performance compares to a 3.1 percent growth rate in 1985. Meanwhile, the state unemployment rate climbed from 9.1 percent in May to 9.7 percent in June. Personal income growth of 3.7 percent during the first quarter advanced at a slower pace than 1985's rate of 6.6 percent, and it trails the U.S.

Bad news in the state's troubled mining sector continues to pour in, as the sector has lost 25.3 percent of its jobs from June against a year ago, and for a historical view about half of the sector's jobs were axed since the 1981 peak. Against June a year ago, petroleum production is down 1.3 percent, natural gas 16.2 percent and coal 14.0 percent. During the same period well completions and oil and gas sales plunged. In addition to the state's oil patch woes, reduced income effects from the Molycorp layoff are pinching Taos area businesses. Seeing the writing on the wall, copper workers at Kennecott Corp. in Silver City accepted a 23-percent slash in pay and benefits. Gallup experienced a 70 worker layoff in the coal industry. The Hobbs area received a bit of good news as AMOCO and ARCO announced plans to construct carbon dioxide plants nearby in Texas.

Activity in New Mexico's construction sector is mixed with a 1.5 percent drop in jobs in June over a year ago. The last twelve month average compared to the previous one showed a 13.0 percent decline in permitted residential units. During the same twelve month average, residential construction contracts fell 2.5 percent and nonresidential contracts slid 17.6 percent, while nonbuilding contracts rose 7.1 percent. Weakness in the multi-family market was offset by strength in the single-family market, particularly in Albuquerque. The pace of construction increased from May to June because of heightened seasonal activity.

Employment in the manufacturing sector registered a slight 0.5 percent decline in June against a year ago. Brighter industries within the sector include a 7.5 percent job gain in food and kindred products, a 4.4 percent rise in textile and apparel jobs, and a 3.9 percent increase in lumber and wood products in June over last year. However, it will be some time before the lower dollar stimulates exports enough to benefit the electronics and semiconductor industry and its prospects for expansion, notable in the Albuquerque area.

Government employment still displays weak growth with total government jobs up just 1.5 percent in June over last year. Only state government employment showed a modest 3.8 percent job gain over the same period. The decline in state government jobs from May to June results from seasonal student layoffs at state universities.

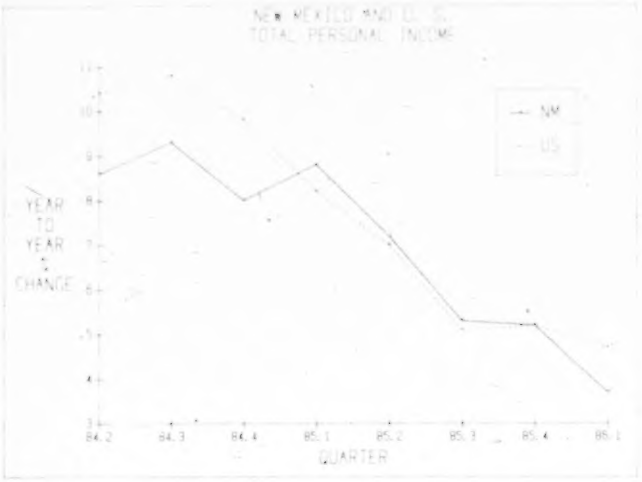
The finance, insurance, and real estate sector in the state grew modestly with a 2.4 percent increase in employment in June over a year ago. The transportation, communications and utilities sector has clipped jobs, with a 6.5 percent drop over a year ago, attributed to PNM's cost-cutting measures and the strike at AT&T.

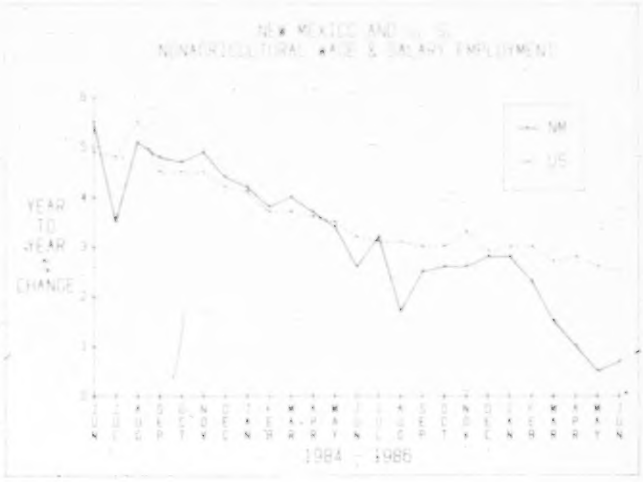
The trade and service sectors, buoyed by consumer spend-

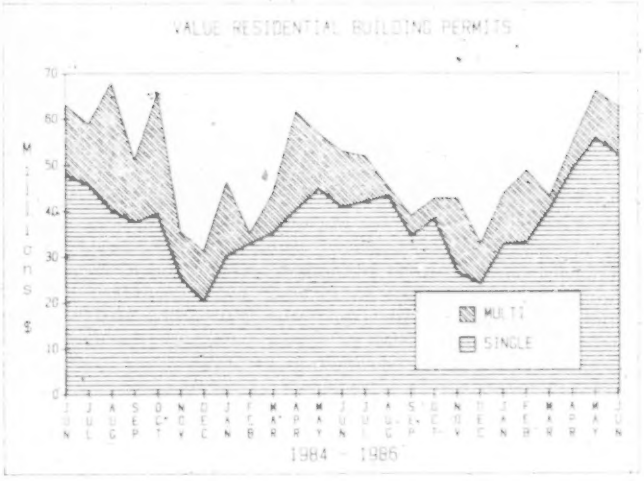
(Continued on page 8)

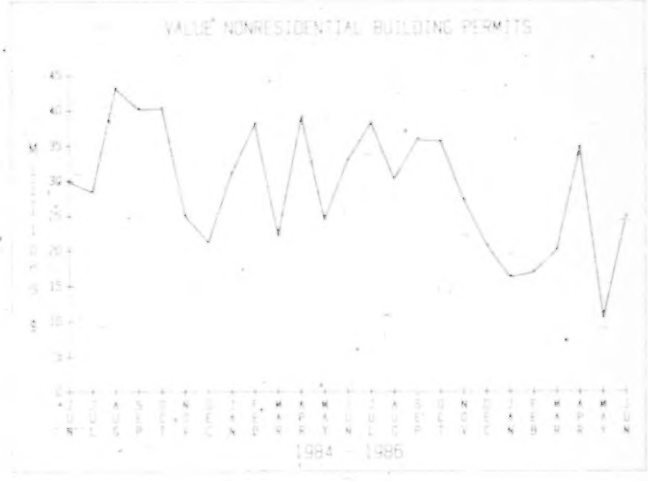
Bureau of Business and Economic Research, Institute for Applied Research Services
The University of New Mexico, Albuquerque, NM 87131
Main Office: (505) 277-2216 Data Bank: (505) 277-6626

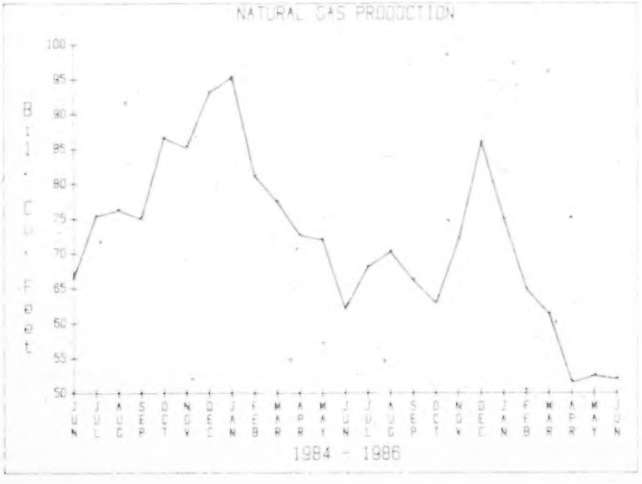
ECONOMIC TRENDS IN NEW MEXICO

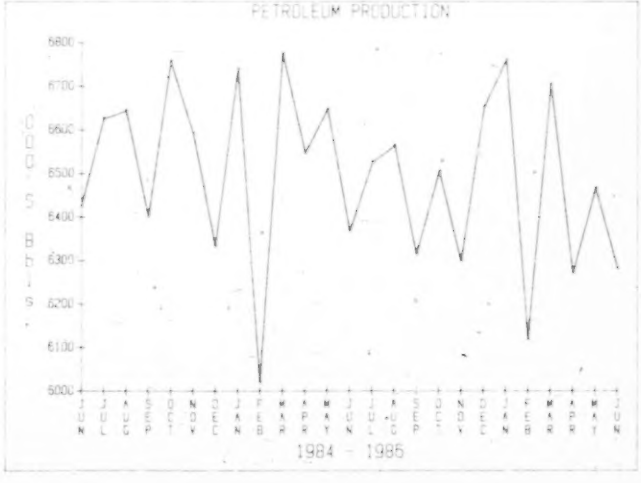












U.S. ECONOMIC INDICATORS

	MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
	Jun 86	327.4	1.2	326.3
	Jun 86	308.5	2.2	309.4
	Jun 86	363.2	4.1	358.5
	Jun 86	209.5	0.3	208.4
	Jun 86	108.8	-4.3	105.7
	Jun 86	437.0	7.5	429.7
	Jun 86	271.9	3.5	272.9
	Jun 86	342.6	-5.1	342.1
	Jun 86	327.0	5.1	321.4
	2Q 86	1665.1	2.8	1655.9
	Jun 86	8.5	-10.5	8.5
	Jun 86	10.1	-11.7	10.2
	Jun 86	6.2	-17.9	6.1
	Jun 86	124.1	-0.1	124.7
	Jun 86	141.5	-1.4	142.3

NEW MEXICO AND U.S. COMPARISONS

	NEW MEXICO				UNITED STATES		
	CURRENT MO/QTR	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
	Jun 86	630.0	5.0	610.9	110,869	2.9	109,041
	Jun 86	9.1	2.5	9.1	7.1	-2.6	7.0
	Jun 86	525.0	0.8	522.0	100,728	2.5	100,333
	Jun	15,919	4.7	15,762	3,304,609	4.7	3,268,061
	Jun 86	348	20.1	406	110,281	24.9	104,577
	Jun 86	644	11.0	644	171,763	155.6	60,840

New Mexico Employment Security Department and U. S. Bureau of Labor Statistics: employment and
U. S. Department of Commerce, Bureau of Economic Analysis: income data;
U. S. Department of Commerce, Bureau of the Census: construction data.
U. S. Council of Economic Advisors, Economic Indicators: all other data.

NEW MEXICO ECONOMIC INDICATORS

	(CURRENT) MO/QTR	DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12-MONTH AVERAGES
1. GENERAL					
Civilian labor force* (000)	Jun 86	686.3	5.5	679.0	3.0
Total employment* (000)	Jun 86	620.0	5.0	617.9	2.1
Unemployment* (000)	Jun 86	66.3	10.5	61.1	11.1
Unemployment rate (%)	Jun 86	9.7	5.5	9.1	9.8
Weekly new unemployment insurance claims	Jun 86	1851.0	66.8	1561.0	10.8
Nonagricultural wage/salary employment**(000)	Jun 86	509.0	0.8	502.0	2.1
New business incorporations	Apr 86	269.0	-5.6	328.0	-5.7
Personal income*** ($ mil.)	1 Q 86	15419.0	4.7	15762.0	5.9
2. AGRICULTURAL RECEIPTS					
Livestock and products ($ mil.)	Apr 86	58.9	-19.5	56.8	-1.4
Crops ($ mil.)	Apr 86	15.2	-24.8	15.9	8.3
Total ($ mil.)	Apr 86	54.0	-12.4	72.7	0.6
3. MINING					
Employment** (000)	Jun 86	16.1	-20.1	15.9	-16.1
Average hourly earnings ($)	Jun 86	12.09	6.2%	12.49	3.4
Petroleum production (000 bbls.)	Jun 86	6234.6	-1.1	6465.4	-1.2
Natural gas production (bil. cu. ft.)	Jun 86	57.0	-16.2	52.5	-11.8
Coal production (000 short tons)	Jun 86	1460.0	-14.0	1195.0	-4.0
Oil well completions@	Jun 86	34.0	-50.1	15.0	-48.1
Gas well completions@	Jun 86	14.0	-46.8	21.0	-26.2
Total footage drilled@@ (000)	Jun 86	200.3	-66.8	295.9	0.2
Oil sales ($ mil.)	Apr 86	76.9	-50.1	96.4	-30.6
Gas sales ($ mil.)	Apr 86	92.1	-49.9	129.6	-26.9
4. CONSTRUCTION					
Employment** (000)	Jun 86	18.1	-1.5	17.1	-1.3
Average hourly earnings ($)	Jun 86	10.85	3.6	10.34	4.9
Residential units permitted	Jun 86	1827.0	80.4	1270.0	-11.0
Residential building permits ($ mil.)	Jun 86	65.6	11.0	66.2	-0.4
Nonresidential building permits ($ mil.)	Jun 86	35.0	-16.1	30.4	-18.7
Residential construction contracts ($ mil.)	Jun 86	70.4	0.6	65.6	-2.9
Nonresidential construction contracts ($m.)	Jun 86	69.8	53.8	20.6	-17.6
Nonbuilding construction contracts ($ mil.)	Jun 86	29.9	50.1	19.8	7.1
5. TRANSPORTATION/COMMUNICATION/UTILITIES					
Employment** (000)	Jun 86	27.3	-6.5	28.6	-2.9
Average hourly earnings## ($)	Jun 86	11.58	5.2	11.38	4.7
6. MANUFACTURING					
Employment** (000)	Jun 86	17.2	-0.5	17.0	1.1
Average hourly earnings ($)	Jun 86	8.42	-0.4	8.65	4.9
Electric & electronic equipment employment** (000)	Jun 86	6.6	0.0	6.5	-2.1
Transportation equipment employment** (000)	Jun 86	4.1	-2.3	4.1	10.9
Food & kindred products employment** (000)	Jun 86	4.3	7.5	4.2	4.9
Textile & apparel employment** (000)	Jun 86	2.4	4.4	2.3	0.0
Lumber & wood products employment** (000)	Jun 86	2.7	3.9	2.6	0.0

NEW MEXICO ECONOMIC INDICATORS (continued)

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE 12 MONTH AVERAGES
7. TRADE					
Wholesale employment** (000)	Jun 86	23.7	-0.4	23.9	1.8
Retail employment** (000)	Jun 86	108.7	6.0	109.0	6.5
Average hourly earnings ($)	Jun 86	6.21	3.0	6.86	1.6
8. FINANCE (INSURANCE/REAL ESTATE)					
Employment** (000)	Jun 86	26.1	-2.6	26.2	2.5
Bank average hourly earnings ($)	Jun 86	7.29	5.0	5.94	3.7
Bank total assets ($ mil.)	1Q 86	9781.8	6.2	8915.8	5.9
Bank total deposits ($mil.)	1Q 86	7995.6	7.2	7282.7	5.9
Bank gross loans ($ mil.)	1Q 86	5663.9	9.4	5170.6	12.2
S & L total assets ($ mil.)	Jun 86	6258.1	16.1	5383.1	15.1
S & L total deposits ($ mil.)	Jun 86	4302.9	11.8	4077.1	15.8
S & L new mortgage loans (previous) ($ mil.)	Jun 86	143.1	-16.0	189.0	6.4
9. SERVICES AND TOURISM					
Total service employment** (000)	Jun 86	170.1	3.0	170.2	2.3
Lodging employment** (000)	Jun 86	7.0	11.1	7.0	10.1
Eating & drinking places employment** (000)	Jun 86	38.1	6.5	38.1	5.0
Visits to state parks (000)	Jun 86	204.7	30.2	300.0	10.0
Visitors to national parks (000)	Jun 86	261.8	3.1	291.3	12.6
Passengers traffic at Albuquerque airports (000)	Jun 86	308.5	1.1	338.6	8.5
Lodgers tax receipts ($ 000)	1Q 86	1100.1	N	1000.1	N
Lodging occupancy rates (%)	Jun 86	64.6	-11.3	71.0	-10.0
10. GOVERNMENT					
Total government employment** (000)	Jun 86	161.1	3.5	159.8	3.1
Federal employment** (000)	Jun 86	23.8	-0.8	23.6	-2.0
State employment** ## (000)	Jun 86	44.8	1.9	47.4	1.8
Local employment** (000)	Jun 86	92.2	5.1	88.1	6.6
Total general fund revenues*** ($ mil.)	May 86	114.0	21.2	104.2	5.9

Note: - reported data (may) subject to revision.
N Not available.
* Number of persons by place of residence.
** Number of jobs by place of work.
*** Quarterly data seasonally adjusted at annual rates.
# These include wells that are in the following categories: new drillings, deepened, plugged back, reentry and additional zone.
Oil and gas combined.
New mortgage loans closed equals the previously carried item "Total loans closed" plus a relatively insignificant additional loan category.
@ For example, in the report that contained June 1985 figures this would be the percent change in the average of July 1983 to June 1984 data versus the average of July 1984 to June 1985 data.
Communications and utilities only.
@@ Passenger traffic includes enplanements and deplanements.
@@@ This figure includes full and part time employment at Los Alamos National Laboratories (LANL). Full time employment alone at LANL is 7,688 as of September 1985 according to U. S. Dept. of Energy, Public Affairs.
Includes recurring and nonrecurring revenues.

Sources: New Mexico Employment Security Dept.; Sections 1, 2, 3, 5, 6, 7, 8, 9, 10.
Dun and Bradstreet, Inc.; Section 1;
U. S. Dept of Commerce, Bureau of Economic Analysis; Section 1;
DRI/McGraw-Hill Regional Service; Section 1;
New Mexico Energy and Minerals Dept., Oil and Gas Conservation Division; Section 1;
New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division; Section 1;
U. S. Dept. of Energy, Energy Information Administration; Section 1;
U. S. Dept. of Commerce, Bureau of the Census; Section 4;
F. W. Dodge Company (a division of McGraw Hill, Inc.); Section 4;
U. S. Federal Reserve; Section 8;
Federal Home Loan Bank of Dallas; Section 8;
New Mexico Natural Resources Dept., Parks and Recreation Division; Section 9;
U. S. National Park Service; Section 9;
City of Albuquerque, Albuquerque International Airport; Section 9;
New Mexico Dept. of Finance and Administration, Local Government Division; Section 9;
Farnell, Kerr and Forster; Section 9;
New Mexico Dept. of Finance and Administration; Section 10.

CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE
TOP 20 CITIES
($000)

	CURRENT 3 MONTH AVERAGE* APR-JUN	% CHANGE AVERAGE YEAR AGO	PREVIOUS 3 MONTH AVERAGE* JAN-MAR
Alamogordo	$ 13,316	-1.2	$ 13,948
Albuquerque	217,356	0.1	226,488
Artesia	6,696	-17.2	6,018
Carlsbad	12,906	-1.2	12,987
Clovis	16,702	4.9	16,580
Deming	4,746	1.4	4,649
Espanola	7,137	-1.6	6,730
Farmington	27,551	-6.4	30,958
Gallup	21,096	4.3	20,442
Hobbs	17,227	-21.1	20,259
Las Cruces	32,902	0.9	33,864
Las Vegas	5,784	9.6	5,876
Los Alamos	6,254	50.4	6,198
Lovington	3,734	-18.9	4,356
Portales	5,462	-5.3	5,174
Roswell	18,948	-2.1	19,466
Ruidoso	5,196	-4.9	4,841
Santa Fe	41,115	5.8	43,126
Silver City	7,767	15.0	6,919
Taos	6,309	4.6	6,383
State total	612,997	2.4	622,586

Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.
* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION
SELECTED CITIES

	NUMBER OF BUILDING UNITS OR PERMITS *				VALUE OF BUILDING PERMITS ($000)			
	JUNE 1986	JUNE 1985	CUMULATIVE TOTAL THROUGH JUNE - 1986	1985	JUNE 1986	JUNE 1985 *	CUMULATIVE TOTAL THROUGH JUNE 1986	1985
RESIDENTIAL**								
Alamogordo	26	7	153	125	$ 1,071	$ 956	$ 7,193	$ 6,928
Albuquerque	650	1,560	2,904	23,290	35,128	135,325	138,217	
Carlsbad	1	8	59	68	112	985	3,821	3,456
Clovis	17	27	90	78	1,306	1,728	5,080	4,633
Farmington	8	6	48	74	382	111	12868	2,743
Hobbs	1	8	16	78	238	418	818	1,265
Las Cruces	35	35	308	661	1,321	427	15,064	15,539
Los Alamos	3	12	15	50	954	5,064	4,364	4,548
Rio Rancho***	108	100	701	768	8,574	7,466	34,878	44,852
Roswell	7		40	66	450	535	1,876	3,562
Ruidoso	11	11	113	85	1,365	1,241	5,628	6,298
Santa Fe	241	135	385	321	5,015	4,633	19,378	16,474
NONRESIDENTIAL								
Alamogordo	14	12	46	68	200	131	593	1,250
Albuquerque	50	36	26	222	4,678	16,788	10,691	75,177
Carlsbad	10	28	53	115	18	86	215	1,238
Clovis		1	31	36	166	90	1,683	4,334
Farmington			14	16	18	87	2,450	354
Hobbs	1	1	11	5	20	350	1,600	704
Las Cruces	11	10	100	125	1,104	321	6,903	7,098
Los Alamos	0	0	18	22	4	27	1,656	114
Rio Rancho***	0	0	18	14	141	0	5,108	5,610
Roswell	2	14	54	35	600	128	1,550	612
Ruidoso	0	4	0	46	150	28	1,422	1,745
Santa Fe	0	11	17	53	588	2,160	6,159	11,199

Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984.
* 1985 data is revised.
** Residential data shows the number of permitted units, while nonresidential data shows the number of permits.
*** Residential data includes both single and multi family units.
*** AMREP Southwest, Inc. reported Rio Rancho data.

Sources: AMREP Southwest, Inc.: Rio Rancho only;
U. S. Department of Commerce, Bureau of the Census: all others.

CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000's)

	NEW MEXICO *			ALBUQUERQUE MSA*			LAS CRUCES MSA**			SANTA FE MSA***		
	JUNE p	% CHANGE YEAR AGO	MAY r	JUNE p	% CHANGE YEAR AGO	MAY r	JUNE p	% CHANGE YEAR AGO	MAY r	JUNE p	% CHANGE YEAR AGO	MAY r
TOTAL CIVILIAN LABOR FORCE	686.3	5.5	674.0	258.6	6.8	253.4	56.1	12.9	55.9	64.6	6.1	63.1
Employment	620.0	5.0	612.9	241.0	3.1	238.0	51.8	10.1	51.1	60.4	6.3	59.9
Unemployment	66.3	10.5	61.1	17.6	1.8	15.4	4.3	+8.2	4.8	4.2	3.0	3.2
Unemployment rate (%)	9.7	5.5	9.1	6.8	-4.2	6.1	8.0	-17.5	8.6	5.6	-1.8	5.0
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT	525.0	0.8	522.0	204.6	2.0	224.1	48.0	8.5	49.0	52.0	1.2	51.3
Mining	15.3	-25.3	15.2	0.3	0.0	0.3	N	N	0.0	0.1	-69.9	0.2
Contract construction	38.1	-1.9	37.1	18.4	+1.0	18.2	3.0	17.0	2.9	3.4	-5.6	3.3
Manufacturing	37.2	+0.5	37.0	19.6	3.1	19.3	3.2	3.2	3.0	1.6	6.7	1.6
Durable goods	24.2	-1.6	24.3	13.8	0.8	13.8	1.6	3.2	1.6	0.9	0.0	1.0
Nondurable goods	13.0	1.6	12.9	5.8	1.9	5.5	1.8	+5.2	1.4	0.7	16.7	0.6
Transportation & public utilities	27.3	-6.5	28.6	11.6	-2.5	12.1	1.1	8.4	1.4	1.1	-8.1	1.2
Trade	129.4	4.8	126.9	58.1	4.0	57.5	12.2	10.9	12.0	10.1	5.2	9.8
Wholesale	23.2	+0.4	22.9	14.4	0.7	13.8	0.8	0.0	0.8	0.1	0.0	0.1
Retail	106.2	6.0	104.0	43.7	5.3	43.7	11.4	11.2	11.2	9.5	5.6	9.1
Finance, insurance, & real estate	26.5	2.4	26.2	11.7	2.1	11.5	1.1	10.0	1.1	2.0	0.0	2.0
Services	119.1	3.0	116.2	59.5	3.0	58.9	9.6	12.9	9.5	13.1	+1.5	14.1
Government	131.7	+1.5	130.8	43.4	1.0	44.0	19.3	8.0	19.3	20.1	2.1	20.2
Federal	29.9	+0.3	29.3	10.9	0.8	11.0	4.8	2.1	4.8	2.8	+0.7	2.8
State	44.6	1.8	44.6	11.6	4.7	11.6	5.0	+0.6	5.0	11.2	1.4	11.1
Local	57.2	1.1	56.1	19.1	+0.5	19.0	9.5	0.1	9.5	6.0	8.6	6.3

N Not available, less than 50 jobs.
p Preliminary.
r Revised.

* Statewide total.
** Dona Ana County.
*** Santa Fe and Los Alamos Counties.
MSA = Metropolitan Statistical Area.

Source: New Mexico Employment Security Department

Total Direct Federal Expenditures or Obligations by County
($ Millions)

	FY 1985	% Change Year Ago	FY 1984		FY 1985	% Change Year Ago	FY 1984
Bernalillo	$2,652.2	9.4	$2,423.7	McKinley	$205.0	26.4	$162.2
Catron	9.0	-29.1	12.7	Mora	11.0	6.8	10.3
Chaves	140.2	14.0	123.0	Otero	124.5	7.1	116.1
Cibola	33.6	6.4	31.6	Quay	41.6	55.2	26.8
Colfax	36.9	-5.8	41.2	Rio Arriba	69.3	-10.7	77.6
Curry	184.6	12.3	164.4	Roosevelt	45.0	10.0	40.9
De Baca	7.3	4.3	7.0	Sandoval	87.1	10.8	78.6
Dona Ana	450.7	0.4	448.9	San Juan	153.5	14.3	134.3
Eddy	105.1	-24.4	139.1	San Miguel	72.0	9.3	65.9
Grant	54.4	7.7	50.5	Santa Fe	356.6	-1.0	362.1
Guadalupe	19.6	51.9	12.9	Sierra	38.4	3.5	34.2
Harding	3.0	-55.2	6.7	Socorro	58.4	27.3	44.3
Hidalgo	13.2	14.8	11.5	Taos	45.6	0.9	45.2
Lea	72.9	-44.0	130.1	Torrance	17.6	-17.8	21.4
Lincoln	26.2	-20.1	32.8	Union	14.7	-3.9	15.3
Los Alamos	831.7	17.1	710.4	Valencia	80.3	6.6	75.3
Luna	44.7	16.1	38.5	State Undistributed	279.0	-3.4	288.8
				New Mexico	$6,584.0	6.7	$6,171.2

Note: Detail may not add to total because of rounding.

Source: U.S. Dept. of Commerce, Bureau of the Census, Consolidated Federal Federal Funds Report, Volume I, County Areas, Fy 1984 and 1985, and Unpublished Data.

Economic Developments . . .

(Continued from page 1)

ing, are propelling the state's economy. While jobs in retail trade gained 6.0 percent in June against a year earlier, wholesale employment slipped 0.4 percent and the hourly wage increased a small 1.0 percent. Yet, even job growth in the service sector diminished to 3.0 percent in June over a year ago which compares to a 6.4 percent rate in 1985. Within the services sector lodging employment jumped 13.1 percent in June against a year ago. Hotel construction has had a noticeable impact in Albuquerque and Santa Fe. Jobs in the accompanying eating and drinking places increased 6.3 percent over the same period. As another sign of more tourism, visits to state and national parks and monuments were also up significantly. Indications point to a record year for tourism in New Mexico. But other areas of the service sector are displaying decreasing rates of growth.

Around the state, consumer spending, resulting from lower inflation, interest rates and energy outlays, combined with defense spending are keeping the economy from tottering into recession. Still expanding retail trade and services (along with single home building in Albuquerque) are propping up the economy. The robust Albuquerque economy, however, will eventually feel the drag of a troubled state economy. This will be evident in less retail activity, slower growth in services, and reduced building of apartment complexes and offices in an overbuilt market. A cutback in the growth of defense expenditures could be especially piercing to the now healthy urban areas. Outside the three MSA's (Albuquerque, Santa Fe and Las Cruces) absolute employment fell 2.6 percent in April and May, led by 4,300 jobs eliminated in the mining sector since the beginning of the year. These non-metropolitan regions are also experiencing job cuts in construction, manufacturing, utilities, and the federal government.

Richard Zimmerman
Economist

NOW AVAILABLE

The Bureau of Business and Economic Research has released a new publication titled *Albuquerque Business Climate: A Comparative View*. This study compares Albuquerque to selected Western metropolitan areas in terms of population, income, employment, wages, costs of living, taxes, education and general quality of life. Individual copies are $15.00 each; five or more copies are $10.00 each. For more information call the Data Bank at 277-6626.

Bureau of Business and Economic Research
Institute for Applied Research Services
The University of New Mexico
Albuquerque, NM 87131
(505) 277-2216

NON-PROFIT ORGANIZATION
U.S. POSTAGE
P A I D
ALBUQUERQUE, N.M.
PERMIT NO. 962

ED KIANKA
CONGRESSIONAL INFO. SER.
SRI ACQUISITIONS
SUITE 800
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

Subscription Price $15.00 per year.
Single Copies $1.85